

## Message Text

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ACTION EB-07

INFO OCT-01 ARA-06 ISO-00 SSO-00 NSCE-00 INRE-00 CAB-02

CIAE-00 COME-00 DODE-00 DOTE-00 INR-07 NSAE-00 RSC-01

FAA-00 SS-15 NSC-05 USIE-00 PRS-01 L-02 /047 W

----- 059693

O 062237Z FEB 75

FM AMEMBASSY QUITO

TO SECSTATE WASHDC IMMEDIATE 4346

INFO AMCONSUL GUAYAQUIL IMMEDIATE

AMEMBASSY LA PAZ IMMEDIATE

AMEMBASSY LIMA IMMEDIATE

C O N F I D E N T I A L QUITO 0921

E.O. 11652: GDS

TAGS: EARI; PFOR, EC, PE

SUBJ: CIVAIR: US-PERU AND US-ECUADOR

REF: A. LIMA 0911; B. LIMA 0668

1. SUSPENSION OF US-PERU SERVICES BY BRANIFF AND AEROPERU WOULD ENTAIL DEFINITE COSTS AND OTHER RISKS TO BRANIFF HERE THAT SHOULD BE TAKEN INTO ACCOUNT IN DECISION MAKING. FROM A POSITION OF WEAKNESS BRANIFF WOULD HAVE TO FILE AN ALTERED SCHEDULE AND THEREBY RENOUNCE THE AD HOC ARRANGEMENT THAT GOVERNS ITS OPERATIONS PENDING NEW CONSULTATION. WE DO NOT KNOW HOW EXTENSIVELY BRANIFF WOULD HOPE TO CHANGE ITS SCHEDULE BUT ITS CHOICES MIGHT BE CALLED MAXIMAL AND IMINMAL. A MAXIMAL REQUEST WOULD INCLUDE MAJOR CHANGE IN FLIGHTS, FREQUENCIES OR REOUTINGS TO COMPENSATE FOR THE LOSS OF LIMA. A MINIMAL REQUEST WOULD REVISE THE EXISTING SCHEDULE ONLY AS MUCH AS REQUIRED TO OPERATE IT WITHOUT LIMA STOPS.

2. IN ASSESSING THE LIKELY GOE REACTION TO BRANIFF'S REQUEST WE BEAR IN MIND CERTAIN BASIC ELEMENTS OF THE SITUATION HERE.

A. BRANIFF AND ECUATORIANA OPERATE UNDER TENUOUS AND INFLEXIBLE ARRANGEMENTS THAT WERE ARRIVED AT BY HARD AND PAINFUL PRAGMATIC  
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HAGGLING DURING AND AFTER THE CONSULTATIONS OF NOVEMBER 1974.

B. THE NOVEMBER CONSULTATIONS ENDED WITH BOTH SIDES IN EFFECT AGREEING TO DISAGREE FOR THE TIME BEING ON FUNDAMENTAL ISSUES OF RELEVANCE AND APPLICATION OF THE 1947 BILATERAL AGREEMENT.

C. BRANIFF'S SCHEDULE IS AN AD HOC VARIATION OF ITS JULY 1, 1974 SCHEDULE AS IMPOSED AND MODIFIED SOMEWHAT ARBITRARILY BY THE GOE.

D. FILING A NEW SCHEDULE MEANS A TERMINATION OF THE STATUS QUO AND A RE-OPENING OF THE GRIEVOUS UNRESOLVED ISSUE OF BRANIFF SCHEDULES.

E. THE MORE BRANIFF'S REVISED SCHEDULE DEVIATES FROM ITS PRESENT SCHEDULE THE LESS LIKELY ARE THE CHANGES TO BE APPROVED.

3. IF BRANIFF PRESENTS A MAXIMAL REQUEST INCREASING THE NUMBER OF FREQUENCIES, CHANGING FLIGHT NUMBERS, AND OVERHAULING ROUTINGS, I.E., PROPOSING NEW FLIGHTS, WE BELIEVE THERE IS ALMOST NO CHANCE THESE WILL BE APPROVED. UNDER THE PREVAILING UNDERSTANDING, AS THE DIRECTOR OF CIVIL AVIATION HAS CHOSEN TO INTERPRET IT, FREQUENCIES AND ROUTINGS ARE FOR THE TIME BEING FROZEN AS THEY EXISTED ON JULY 1, EXCEPT AS MODIFIED BY DAC SO THAT TWENTY-TWO ONE-WAY FREQUENCIES CAN OPERATE. FURTHERMORE, GOE HAS NEVER EVINced ANY INTEREST IN ECUADOR'S PLAYING A TRAFFIC INTERCHANGE ROLE AS PANAMA AND LIMA PLAY ON THE WEST COAST. WHILE IT IS OUR HOPE AND BELIEF THAT GOE WILL REFRAIN FROM FOLLOWING PERU INTO CONFRONTATION AND SUSPENSION, IT IS UNREALISTIC IN THE PRESENT STATE OF OUR CIVIL RELATIONS TO EXPECT GOE TO PULL BRANIFF'S CHESTNUTS OUT OF THE FIRE IN ITS DISPUTE WITH PERU.

4. IF BRANIFF, ON THE OTHER HAND, PRESENTS A REVISED SCHEDULE INCORPORATING THE MINIMAL CHANGES REQUIRED TO OPERATE ITS PRESENT SCHEDULE WITHOUT LIMA STOPS, THIS WILL INVOLVE DIFFERENT DEGREES OF CHANGES IN THE TWO CATEGORIES OF LIMA FLIGHTS: THE SEVEN WITH LIMA PRESENTLY AS AN INTERMEDIATE POINT AND THE EIGHT WITH LIMA PRESENTLY AS A TERMINATION/ORIGINATION POINT.

5. THE DAC WOULD PROBABLY APPROVE CHANGES IN THE FIRST CATEGORY, THAT IS, SIMPLE DELETION OF LIMA FROM THROUGH FLIGHTS. IF IT DID NOT, THIS WOULD BE TANTAMOUNT TO A SEVERE AND UNREASONABLE RESTRICTION OF BRANIFF SERVICE. IF THE DAC PERSISTED IN WITHHOLDING APPROVAL IT COULD BE AN INDICATION THAT IT, ECUADOR LIKE PERU, HAD DETERMINED THAT THIS IS THE TIME AND CONFRONTATION IS THE CONFIDENTIAL

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WAY TO DEAL WITH THE US ON CIVIL QUESTIONS. THE SITUATION COULD THEN QUICKLY DETERIORATE HERE INTO MUTUAL RETALIATION AND SUSPENSION.

6. FLIGHTS PRESENTLY ORIGINATING OR TERMINATING IN LIMA WOULD POSE A MORE DIFFICULT PROBLEM FOR BRANIFF BOTH OPERATIONALLY AND IN GAINING APPROVAL. BRANIFF MIGHT ROUTE THEM TO OTHER THIRD COUNTRIES FOR ORIGIN OR TERMINATION. WE CANNOT ASSUME DAC APPROVAL

OF SUCH DEPARTURES FROM THE EXISTING SCHEDULE. MOREOVER, LOCAL BRANIFF MANAGER BELIEVES THAT THE ONLY FEASIBLE WAY TO OPERATE THEM IS TO CONVERT THEM FROM THROUGH FLIGHTS TO FLIGHTS THAT TURN AROUND IN ECUADOR. FOR EXAMPLE, SOUTHBOUND PLANES TERMINATING AT GUAYAQUIL AT NIGHT WOULD ORIGINATE IN QUITO NORTHBOUND THE FOLLOWING MORNING. IT WILL BE RECALLED THAT THE ECUADOREAN DEL TO CONSULTATIONS EXPRESSED GOE DISLIKE OF BRANIFF TURNAROUND FLIGHTS. MORE RECENTLY FONMIN SUBSECRETARY VALDEZ EMPHASIZED TO CHARGE DURING DISCUSSION ABOUT AFTERMATH OF US-PERU CONSULTATIONS THAT GOE IS CONCERNED ABOUT ADDITIONAL BRANIFF TURNAROUND FLIGHTS. (QUITO 0158). PERHAPS HE HAD THE PRESENT CONTINGENCY PRECISELY IN MIND ALTHOUGH THIS DID NOT OCCUR TO US AT THE TIME. IN ANY EVENT, HE MUST FEEL WE ARE ON NOTICE NOT TO EXPECT APPROVAL FOR ADDITIONAL TURNAROUND FLIGHTS. THEREFORE, WE BELIEVE THAT BRANIFF MUST COUNT AS A COST OF THE COURSE IT HAS RECOMMENDED TO USG VIS-A-VIS PERU THE LOSS OF AS MANY AS FIVE OF ITS SIX WEEKLY NORTHBOUND FLIGHTS THROUGH QUITO AND THREE OF ITS FOUR WEEKLY SOUTHBOUND FLIGHTS THROUGH GUAYAQUIL. IF THESE DISAPPROVALS OCCURRED, USG WOULD HAVE TO DECIDE WHETHER TO TREAT THEM AS AN ACCEPTABLE COST OF THE PERU SUSPENSION OR CAUSE FOR PURSUING A CONFRONTATIONAL AND RETALIATORY POLICY TOWARD ECUADRO.

7. IN SUM, THE EFFECT HERE OF A SUSPENSION WITH PERU WILL BE HIGH COSTS TO BRANIFF AND FURTHER DAMAGE TO OUR CIVIL AIR RELATIONS IF THE USG CANNOT CONSIDER SUCH COSTS AS ACCEPTABLE.  
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## Message Attributes

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